

Exhibit #2



michigan municipal league

Liability & Property Pool

MUNICIPAL LIABILITY COVERAGE

Some provisions in this **Coverage Document** restrict coverage. Read the entire **Coverage Document** carefully to determine rights, duties and what is and is not covered. Throughout this **Coverage Document** the terms "we", "us", and "our" refer to the Michigan Municipal League Liability and Property Pool. The words "you" and "your" refer to the **Member** shown in the Declarations. Terms described in bold type are defined in **SECTION VI — DEFINITIONS**.

SECTION I — COVERAGES

COVERAGE A — BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Coverage Agreement.

- a. We will pay those sums which the **Insured** becomes legally obligated to pay as **Damages** because of **Bodily Injury** or **Property Damage** to which this coverage applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION III — LIMITS OF COVERAGE**. This coverage applies only to **Bodily Injury** and **Property Damage** which occurs during the **Coverage Period**. The **Bodily Injury** or **Property Damage** must be caused by an **Occurrence**. The **Occurrence** must take place in the **Coverage Territory**. We will have the right and duty to defend any **Suit** seeking those **Damages**. However:
 - (1) we may investigate and settle any **Occurrence**, **Claim** or **Suit** pursuant to the rules established by the **Pool** Board of Directors.
 - (2) the amount we will pay for **Damages** is limited as described in **SECTION III — LIMITS OF COVERAGE**.
 - (3) our right and duty to defend end when we have used up the applicable Limit of Liability in the payment of **Damages** as described in **SECTION III — LIMITS OF COVERAGE**.
- b. **Damages** because of **Bodily Injury** include **Damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.
- c. **Property Damage** that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the **Occurrence** that caused it.

2. Exclusions

This insurance does not apply to:

a. Expected or Intended Injury

Bodily Injury or **Property Damage** reasonably expected or intended from the standpoint of the **Insured**. This exclusion does not apply to **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property.

This exclusion does not apply to the use of force in the performance of **Law Enforcement Activities**.

b. Contractual Liability

Bodily Injury or **Property Damage** for which the **Insured** is obligated to pay **Damages** by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for **Damages**:

Electromagnetic Radiation

Claims or Suits for Damages resulting from or allegedly arising out of exposure to or contact with electromagnetic radiation.

COVERAGE B — PERSONAL AND ADVERTISING INJURY LIABILITY

1. Coverage Agreement.

a. We will pay those sums that the **Insured** becomes legally obligated to pay as **Damages** because of **Personal Injury** or **Advertising Injury** to which this Coverage applies. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SECTION III — LIMITS OF COVERAGE**. We will have the right and duty to defend any **Suit** seeking those **Damages**. However:

- (1) we may investigate and settle any **Occurrence, Claim** or **Suit** pursuant to the rules established by the **Pool** Board of Directors;
- (2) the amount we will pay for **Damages** is limited as described in **SECTION III — LIMITS OF COVERAGE**; and
- (3) our right and duty to defend end when we have used up the applicable limit of coverage in the payment of **Damages** as described in **SECTION III — LIMITS OF COVERAGE**.

b. This Coverage applies to:

- (1) **Personal Injury** caused by an offense arising out of the conduct of your business, excluding advertising, broadcasting or telecasting done for you; and
- (2) **Advertising Injury** caused by an offense committed in the course of advertising your goods, products or services; but only if:
 - (a) the offense was committed in the **Coverage Territory**;
 - (b) the offense was committed during the **Coverage Period**.

2. Exclusions

This coverage does not apply to:

a. Personal Injury or Advertising Injury:

- (1) arising out of oral or written publication of material, if done by or at the direction of an **Insured** with knowledge of its falsity;
- (2) arising out of oral or written publication of material whose first publication took place before the beginning of the **Coverage Period**;
- (3) arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **Insured**; or
- (4) for which the **Insured** has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the **Insured** would have in the absence of the contract or agreement.

b. Advertising Injury arising out of:

- (1) breach of contract, other than misappropriation of advertising ideas under an implied contract;
- (2) the failure of goods, products or services to conform with advertising quality or performance; or
- (3) the wrong description of the price of goods, products or services.
- (4) broadcasting - this exclusion shall not apply to **Personal Injury** or **Advertising Injury** resulting from telecasts or broadcasts by an **Insured** acting within the scope of employment by or duties on behalf of the **Member**.